Minutes – Executive Policy Committee – July 15, 2015

Report – Standing Policy Committee on Property and Development – July 14, 2015

Item No. 1 Sale of a portion of City-owned Property located south of St. Boniface Industrial Park to Parmalat Canada Inc.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the following to Council:

1. That the City-owned property shown outlined on Misc. Plan No. 14362/6, attached, be declared surplus to the needs of the City.

2. That in order to facilitate the sale of the City-owned property shown hatched on Misc. Plan No. 14362/6, attached (the "Site"), to Parmalat Canada Inc., Council approve the installation of the necessary services as described herein with a net cost of $5.61 million to be funded as follows:

    A. cash contribution by Parmalat Canada Inc. in the amount of $1,500,000.00, to be paid to the City concurrently with the payment of the purchase price for the Site;

    B. contribution by the Province of Manitoba in the amount of $2,000,000.00 plus interest at the RBC prime rate, to be front-ended by the City and reimbursed by the Province of Manitoba over an estimated 18 year period through the Province's annual Community Revitalization Levy with respect to the Site; and

    C. $2,110,000.00 contribution from the City, to be funded from the Land Operating Reserve and reimbursed with: (i) the net sale proceeds of the balance, or any portion of the balance of the City-owned property identified on Misc. Plan No. 14362/6; and (ii) municipal property taxes and business taxes with respect to the Site;

    D. the Land Operating Reserve will receive an inter-company transfer of $4,110,000.00 from the General Capital Fund to facilitate the foregoing.

3. That in the event the City's liquidity position requires additional funding, that short-term financing in the amount of $4,110,000.00 be approved either from external sources or through internal funds or reserves as determined by the Chief Financial Officer.

Minutes – Executive Policy Committee – July 15, 2015

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4. That the Chief Administrative Officer be delegated the authority:

   A. to negotiate and approve the sale of the Site in favour of Parmalat Canada Inc. (or its Nominee), for the purchase price of $2,625,000.00, in accordance with the City's standard terms and conditions of Offer to Purchase and upon such additional terms and conditions that the Director of the Planning, Property and Development Department and the Director of Legal Services and City Solicitor consider necessary to protect the interests of the City.

   B. to proceed with the installation of the necessary services as described herein in order to facilitate the sale of the Site to Parmalat Canada Inc., subject to fully-executed funding agreements between:

      i. the City and Parmalat Canada Inc., setting out the terms and conditions of Parmalat Canada Inc.'s contribution to wastewater oversizing costs in the amount of $520,000.00 and site servicing costs in the amount of $1,500,000.00; and

      ii. the City and the Province of Manitoba, setting out the terms and conditions of the Province's agreement to reimburse the City for site servicing costs in the amount of $2,000,000.00 plus interest at the RBC prime rate.

   C. to negotiate and approve the terms and conditions of the agreements referenced in clause b. hereof, in accordance with the terms and conditions set forth herein and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

   D. to negotiate, on a single source basis, approve the terms and conditions and award an engineering consultant contract to Stantec Engineering Ltd. for conceptual, preliminary and detailed design, and contract administration of the roadways, water mains, wastewater collection, and land drainage servicing requirements in the proposed development in an estimated amount not to exceed $850,000, plus P.S.T. and G.S.T. as applicable.

   E. to negotiate, on a single source basis, and approve the terms and conditions of contract and award a contract to Manitoba Hydro in an amount not to exceed $150,000, plus P.S.T and G.S.T. as applicable for the installation of electricity and natural gas utility servicing requirements to facilitate the sale of the subject site.

Report – Standing Policy Committee on Property and Development – July 14, 2015

F. to negotiate, on a single source basis, and approve the terms and conditions and award a contract to Man-shield Construction Inc. if required in an amount not to exceed $240,000, plus P.S.T. and G.S.T as applicable for the partial excavation of the storm water retention basin required to facilitate the sale of the subject site (it being understood that fill material will be used for site preparation).

G. To negotiate, and approve the sale of any other City land adjacent to the new services, if such sale does not require extension of the services, or if extension of the services is required, that the cost of the extended services does not exceed the purchase price of the land.

5. That the Winnipeg Public Service report back to Council by no later than July 2016 on the final disposition of the balance of the City-owned property identified on Misc. Plan No. 14362/6.

6. That the Winnipeg Public Service submit quarterly financial status reports with respect to this matter to the Standing Policy Committee on Finance.

7. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Minutes – Executive Policy Committee – July 15, 2015

Report – Standing Policy Committee on Property and Development – July 14, 2015

DECISION MAKING HISTORY:

Moved by Councillor Orlikow,

That the recommendation of the Standing Policy Committee on Property and Development be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On July 14, 2015, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service, with the following amendment:

- Add the following new recommendation 6:

    6. That the Winnipeg Public Service submit quarterly financial status reports with respect to this matter to the Standing Policy Committee on Finance.

- Renumber the remaining recommendation accordingly.

and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **Proposed Sale of a portion of City-owned Property located south of St. Boniface Industrial Park to Parmalat Canada Inc.**

Critical Path: **Standing Policy Committee on Property and Development**
Executive Policy Committee
Council

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
J. Zabudney	M. Pittet	M. Ruta	D. McNeil CAO

RECOMMENDATIONS

1. That Council declare the City-owned property shown outlined on Misc. Plan No. 14362/6, attached, surplus to the needs of the City.

2. That in order to facilitate the sale of the City-owned property shown hatched on Misc. Plan No. 14362/6, attached (the "Site"), to Parmalat Canada Inc., Council approve the installation of the necessary services as described herein with a net cost of $5.61 million to be funded as follows:

    a. cash contribution by Parmalat Canada Inc. in the amount of $1,500,000.00, to be paid to the City concurrently with the payment of the purchase price for the Site;
    b. contribution by the Province of Manitoba in the amount of $2,000,000.00 plus interest at the RBC prime rate, to be front-ended by the City and reimbursed by the Province of Manitoba over an estimated 18 year period through the Province's annual Community Revitalization Levy with respect to the Site; and
    c. $2,110,000.00 contribution from the City, to be funded from the Land Operating Reserve and reimbursed with: (i) the net sale proceeds of the balance, or any portion of the balance of the City-owned property identified on Misc. Plan No. 14362/6; and (ii) municipal property taxes and business taxes with respect to the Site;

d. the Land Operating Reserve will receive an inter-company transfer of $4,110,000.00 from the General Capital Fund to facilitate the foregoing.

3. That in the event the City's liquidity position requires additional funding, that short-term financing in the amount of $4,110,000.00 be approved either from external sources or through internal funds or reserves as determined by the Chief Financial Officer.

4. That Council delegate the authority to the Chief Administrative Officer:

    a. to negotiate and approve the sale of the Site in favour of Parmalat Canada Inc. (or its Nominee), for the purchase price of $2,625,000.00, in accordance with the City's standard terms and conditions of Offer to Purchase and upon such additional terms and conditions that the Director of the Planning, Property and Development Department and the Director of Legal Services and City Solicitor consider necessary to protect the interests of the City.

    b. to proceed with the installation of the necessary services as described herein in order to facilitate the sale of the Site to Parmalat Canada Inc., subject to fully-executed funding agreements between:

        i. the City and Parmalat Canada Inc., setting out the terms and conditions of Parmalat Canada Inc.'s contribution to wastewater oversizing costs in the amount of $520,000.00 and site servicing costs in the amount of $1,500,000.00; and

        ii. the City and the Province of Manitoba, setting out the terms and conditions of the Province's agreement to reimburse the City for site servicing costs in the amount of $2,000,000.00 plus interest at the RBC prime rate.

    c. to negotiate and approve the terms and conditions of the agreements referenced in clause b. hereof, in accordance with the terms and conditions set forth herein and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

    d. to negotiate, on a single source basis, approve the terms and conditions and award an engineering consultant contract to Stantec Engineering Ltd. for conceptual, preliminary and detailed design, and contract administration of the roadways, water mains, wastewater collection, and land drainage servicing requirements in the proposed development in an estimated amount not to exceed $850,000, plus P.S.T. and G.S.T. as applicable.

e. to negotiate, on a single source basis, and approve the terms and conditions of contract and award a contract to Manitoba Hydro in an amount not to exceed $150,000, plus P.S.T and G.S.T. as applicable for the installation of electricity and natural gas utility servicing requirements to facilitate the sale of the subject site.

f. to negotiate, on a single source basis, and approve the terms and conditions and award a contract to Man-shield Construction Inc. if required in an amount not to exceed $240,000, plus P.S.T. and G.S.T as applicable for the partial excavation of the storm water retention basin required to facilitate the sale of the subject site (it being understood that fill material will be used for site preparation).

g. To negotiate, and approve the sale of any other City land adjacent to the new services, if such sale does not require extension of the services, or if extension of the services is required, that the cost of the extended services does not exceed the purchase price of the land.

5. That the Winnipeg Public Service report back to Council by no later than July 2016 on the final disposition of the balance of the City-owned property identified on Misc. Plan No. 14362/6.

6. That the Proper Officers of the City do all things necessary to effect the intent of the foregoing.

REASON FOR THE REPORT

- Council approval is required to declare the subject City-owned property surplus to the needs of the City.

- Council approval is required to enter into funding agreements.

- Council approval is required to delegate authority to the Chief Administrative Officer to conduct matters described herein.

- Council approval is required to waive the requirements of the Materials Management Policy for recommendation 4(f).

EXECUTIVE SUMMARY

- Parmalat Canada Inc. is pursuing an expansion proposal and requires a suitable new location in Winnipeg to establish a new fluid milk processing plant in Winnipeg replacing the current aging facility in St. Boniface. Parmalat Canada Inc. has imposed critical timelines to commence construction of its new facility in order to meet its production demands.

- The Winnipeg Public Service is recommending that the Chief Administrative Officer be delegated the authority to negotiate and approve the sale of the City-owned property shown hatched on Misc. Plan No. 14362/6, attached, in favour of Parmalat Canada Inc. (or its Nominee).

- The Winnipeg Public Service is recommending that the Chief Administrative Officer be delegated the authority to proceed with the installation of the necessary services in order to facilitate the sale of the Site to Parmalat Canada Inc.

- The Land Operating Reserve is the intended funding source to provide initial servicing to facilitate the sale of the Site to Parmalat Canada Inc. This is entirely consistent with the purpose of the Reserve which was created by Council in 1973 and net servicing costs do not impact the equity balance of the Reserve. These works would include a temporary and permanent road, drainage, street lighting, extension of electrical and natural gas service, water mains, waste-water sewer, the installation of a wastewater lift station and the partial construction of a storm water retention basin. Of the estimated $8.2 million cost, $2.59 million will be expensed as cost of land sold with the remaining $5.61 million recorded as inventory (to be expensed in the future when remaining land is sold). The net proceeds of sale of approximately 15 acres to Parmalat Canada Inc., estimated to be $433,000, will increase the equity balance in/capacity of the Land Operating Reserve.

- The $5.61 million noted above will be funded by i) a $1.5 million contribution from Parmalat, ii) a Provincial contribution of $2 million and, iii) a City contribution of $2.11 million. The City will front-end the Provincial contribution, which will be repaid by way of the Province's annual Community Revitalization Levy, plus interest, generated from the sale of the Site to Parmalat. Repayment to the City would be amortized over an approximate 18-year period. The City would recoup its share of servicing costs through Municipal and Business Taxes over a 21-year period. This is based on the assumption that no other lands are sold within the park. Should any other lands within the industrial park be sold, the net proceeds will be used toward the repayment of the City contribution.

- The Winnipeg Public Service would then report back to Council on the final disposition of the balance of the City–owned property. This would include an analysis as to whether the City continues servicing its new Industrial Park or sell the balance of the industrial park lands to a potential developer.

IMPLICATIONS OF THE RECOMMENDATIONS

- The City’s standard terms and conditions of sale will include provisions to protect the City’s interests in the event that environmental contamination is discovered.

- There are no regulatory or human resources implications associated with this report.

- There will be an increase in the Land Operating Reserve's inventory of serviced land and unallocated equity of $5.61 million and $433,000 respectively.

HISTORY

The Winnipeg Public Service became aware late in 2014 through discussions with the Province of Manitoba (MAFRD - Manitoba Agriculture, Food and Rural Development) and Yes!Winnipeg, that Parmalat Canada Inc. was pursuing an expansion proposal and looking for a suitable new location in Winnipeg.

The expansion detail as conveyed through contacts with the Province of Manitoba was to establish a new fluid milk processing plant in Winnipeg replacing the current 100 year old facility in St. Boniface. The Province further indicated that Parmalat Canada Inc. would be investing $50M in new processing equipment and plant construction, which will result in an increase of its production of fluid milk in Manitoba.

In order to move forward and be able to facilitate a sale and Parmalat's expansion plans to construct a new fluid milk processing facility; the Winnipeg Public Service is requesting Council approval of the recommendations contained herein.

Recommendations 4. d., e. and f. contemplate single source negotiations and award of contracts.

Recommendation 4. d., B4.1 (f) of the Materials Management Policy allows for single source assignments where the compatibility of a supply with existing property or services is the paramount consideration and that supply is available only from a single supplier. A public bid solicitation would not be required pursuant to the Agreement on Internal Trade because the proposed services would be provided by licensed professionals that are exempt from the application of the Agreement on Internal Trade. Recommendation 4. d. is consistent with the authority delegated to the Chief Administrative Officer under the Materials Management Policy to approve single source negotiations in accordance with B4. where the estimated value of the contract to be negotiated does not exceed $1M (B8.1(i)), and to approve an award of contract where the value of the contract does not exceed $5M (B8.2(a)) when there are sufficient funds in a Council approved budget.

It is the intention of the Winnipeg Public Service on a single source basis, to approve the terms and conditions and award of an engineering consultant contract for conceptual, preliminary and detailed design, and contract administration of the roadways, water mains, wastewater sewer, wastewater lift station, and land drainage servicing requirements including a partial storm water retention basin to Stantec. Pursuant to the previous Council approved Joint Venture with Terracon, Stantec already conducted preliminary engineering design under a contract with Terracon. As a result,

Stantec is knowledgeable of the site and can complete these works in the most expeditious fashion. Terracon has undertaken works related to site servicing which may be eligible for reimbursement by the City and the Winnipeg Public Service will carefully review the documentation with respect to such works and reimburse monies to Terracon only where the works performed are clearly a benefit to the City, including Legal Survey works pursuant to DAS 19/2013.

Recommendation 4. e., B4.1 (a) of the Materials Management Policy allows for single source assignments where the supplier has an exclusive statutory right to make the requisite supply. Manitoba Hydro has the exclusive statutory right with respect to electrical power. With respect to the natural gas servicing part of the proposed contract with Manitoba Hydro, B4.1 (f) of the Materials Management Policy allows for single source assignments where the compatibility of a supply with existing property or services is the paramount consideration and that supply is available only from a single supplier. Because the value of the construction services to be provided by Manitoba Hydro is less than $250,000, a public bid solicitation would not be required pursuant to the Agreement on Internal Trade.

The Winnipeg Public Service will be required to negotiate a contract with Manitoba Hydro for the installation of electricity (including street lighting) and natural gas utility servicing requirements to facilitate the sale of the subject Site.

Recommendation 4. f., as there is no reason under the Material Management Policy to cover this single source, Council approval is required to waive the requirements set out in the City's Materials Management Policy. As the estimated value of this construction contract does not exceed $250,000, the procurement is not subject to the Agreement on Internal Trade (AIT).

Parmalat has engaged Manshield Construction Inc. for development of its new facility. Manshield Construction Inc. is also responsible for site preparation. Given the site is low lying; backfill material (clay) is required to bring ground elevations to an appropriate level. Material could be brought in from the Plessis/Dugald Underpass project or, if it is in the best interest of the City the Winnipeg Public Service is requesting delegation of authority so that it may negotiate, on a single source basis, and approve the terms and conditions and award of a contract to Manshield Construction Inc. for the partial excavation of the storm water retention basin required to facilitate the sale of the subject Site. Additional detailed engineering design is required to confirm the excavation quantities required. This material would be used by Manshield Construction for preparation of the Parmalat site.

The estimated costs to facilitate access and services to the Parmalat site are as follows:

Wastewater Sewer and Forcemain –
Lift Station –
Land Drainage Sewer –
Watermain –

Retention Pond Outlet Pipe and Related Works –
Asphalt Road and Related Works –
$4,900,000

Contingencies -
Engineering -
Misc. Utilities -
Construction of Temporary Access Road (PWD)-
$3,300,000

ESTIMATED TOTAL - $8,200,000

Note that the above should be considered a Class 4 Estimate. A portion of these works will be required for the eventual development of the balance of the lands (approximately 170 acres) south of the GWWD rail line and aqueduct, and are not totally attributable to the Parmalat site development. The capital costs for servicing estimated in this report are Class 5 as defined by the AACE Cost Estimate Classification System. Class 4 estimates are prepared based on limited information, with some engineering work completed and preliminary scope determination. Based on a level of detail and engineering completed for the servicing of the Prairie Lands development and Parmalat, an estimate accuracy range of -30% to +60% is expected.

Of the $8.2M of servicing costs, $2.59M will be expensed as cost of land sold to Parmalat (i.e., $2.07M in servicing cost + $520K oversizing cost – see Appendix 1). In regard to the balance of the servicing costs of $5.61M, negotiations with the Province of Manitoba and Parmalat have concluded the following:

- Parmalat to contribute $1.5M
- Province to contribute $2.0M
- City to contribute $2.11M

$5.61M

It is being proposed that City would front-end the Provincial share which would be repaid to the City by way of the Province's annual Community Revitalization Levy, plus interest, generated from the sale of the Site to Parmalat. Repayment to the City would be amortized over an approximate 18-year period. The City would recoup its share of servicing costs through Municipal and Business Taxes over a 21-year period. This is based on the assumption that no other lands are sold within the park.

The proposed sale of the subject Site to Parmalat benefits the City in many ways, including but not limited to the following:

- Removal of an industrial operation within a residential area (approximately 2.1 acres).
- Reduced noise levels within a residential neighbourhood.
- Complementary higher and better use of existing Parmalat plant site.

- Potential for redevelopment of the lands currently occupied by Parmalat to residential use such as multiple-family.
- Reduced truck traffic within residential/downtown area (average of 38 trucks/day). Parmalat currently accounts for approximately 20% of heavy truck traffic on Provencher Boulevard.
- Elimination of 300 tons of industrial ammonia from the current location.
- New energy efficient plant with technically enhanced effluent system(s) to treat pH.
- The new plant will maintain at least the same number of jobs in Winnipeg as exist at the current plant.
- Related "spin-off effects" including increasing the marketability of the balance of the City-owned lands. Recent discussions with the private brokerage firm that was marketing the Industrial Park without the prior knowledge of the Winnipeg Public Service have revealed that over 40 parties may be interested in locating in the Industrial Park with at least five potential Purchasers interested in specific sites.
- The Winnipeg Public Service is also aware that one of these potential purchasers is TEAMS Transport, a local truck transportation firm interested in approximately 10 acres in the Industrial Park for relocating and expanding a truck terminal, warehouse and offices.
- The creation of approximately 185 acres of new Employment Lands within the City.
- Annual Municipal and School Realty Taxes have been estimated by the Assessment & Taxation Department at $250,000 ($90,200 municipal $160,000 school).
- Annual Business Tax as estimated by the Assessment & Taxation Department, is approximately $57,000.
- Purchaser responsible for its share of the lift station oversizing costs being $520,000.
- New facility 2-year water and sewer flow scenario rates are estimated at $531,431 in comparison to the existing plant rates of $291,083.
- The proposed sale of the subject Site to Parmalat also benefits the milk industry in Manitoba and therefore should benefit the Manitoba consumer. The Dairy Farmers of Manitoba have stated that "Manitoba needs more dairy product processing capacity. Currently raw milk is trucked out of Manitoba (to Saskatchewan) because of a lack of dairy product processing capacity." They also state that "the new Parmalat plant would eliminate this need to move milk."

FINANCIAL IMPACT

Financial Impact Statement

Date: July 13, 2015

Project Name: **First Year of Program** **2015**

Proposed Sale of a portion of City-owned Property located south of St. Boniface Industrial Park to Parmalat Canada Inc.

	2015	2016	2017	2018	2019 to 2036
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 2,767,000	$ 308,000	$ 308,000	$ 308,000	$ 5,070,000
Less: Incremental Revenue/Recovery	3,200,000	308,000	308,000	308,000	5,070,000
Net Cost/(Benefit)	$ (433,000)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(433,000)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs in 2015 consist of servicing costs of $2,07M for the Parmalat site + $0.52M in lift station oversizing costs directly attributable to Parmalat + the $0.122M book value of the 15 acres sold (see Appendix 1). It also includes $55K in interest expense on borrowings to fund the City and Province's contributions toward servicing costs (see Appendices 2 & 3). Revenues consist of the proceeds of disposition of $2.625M + $0.52M related to the lift station oversizing (see Appendix 1). It also includes incremental municipal/provincial property & education taxes (amount assumed to equal the $55K in interest expense). For the purposes of this analysis, the sale is assumed to close in 2015. Net proceeds of $0.433M will be credited to the Land Operating Reserve (LOR). Of the estimated $8.2M required to facilitate the Parmalat sale, $5.61M is attributable to the remaining 170 acres. Parmalat will contribute $1.5M and the Province $2M and the City $2.11M. The City will front-end the Provincial $2M contribution, which the Province will repay (with interest) with incremental education taxes/ESL. The City contribution will be repaid with incremental property/business taxes and the net proceeds of disposition of future sales of land with the industrial park. Direct costs from 2016 onward represent debt servicing costs on the City and Provincial contributions while revenues represent incremental municipal/provincial tax revenue (assumed to remain constant). The $5.61M will be recorded in the LOR (i.e. inventoried) and expensed to cost of land sold upon future sale of the 170 acres or portion thereof.

"Original signed by"
Mike McGinn, CA
Manager of Finance

CONSULTATION

Legal Services as to legal issues

Materials Management

Assessment and Taxation

Corporate Finance

OURWINNIPEG POLICY ALIGNMENT

OURWINNIPEG AND COMPLETE COMMUNITIES DIRECTION STRATEGY

- The subject lands are located within the General Manufacturing Policy Area under the Complete Communities Direction Strategy. Supporting Direction and Enabling Strategies include:

  - "Consider options to encourage development of under-utilized parcels and obsolete sites" (p.94).
  - "Maximize the economic development potential of existing and future employment lands" (p.96).

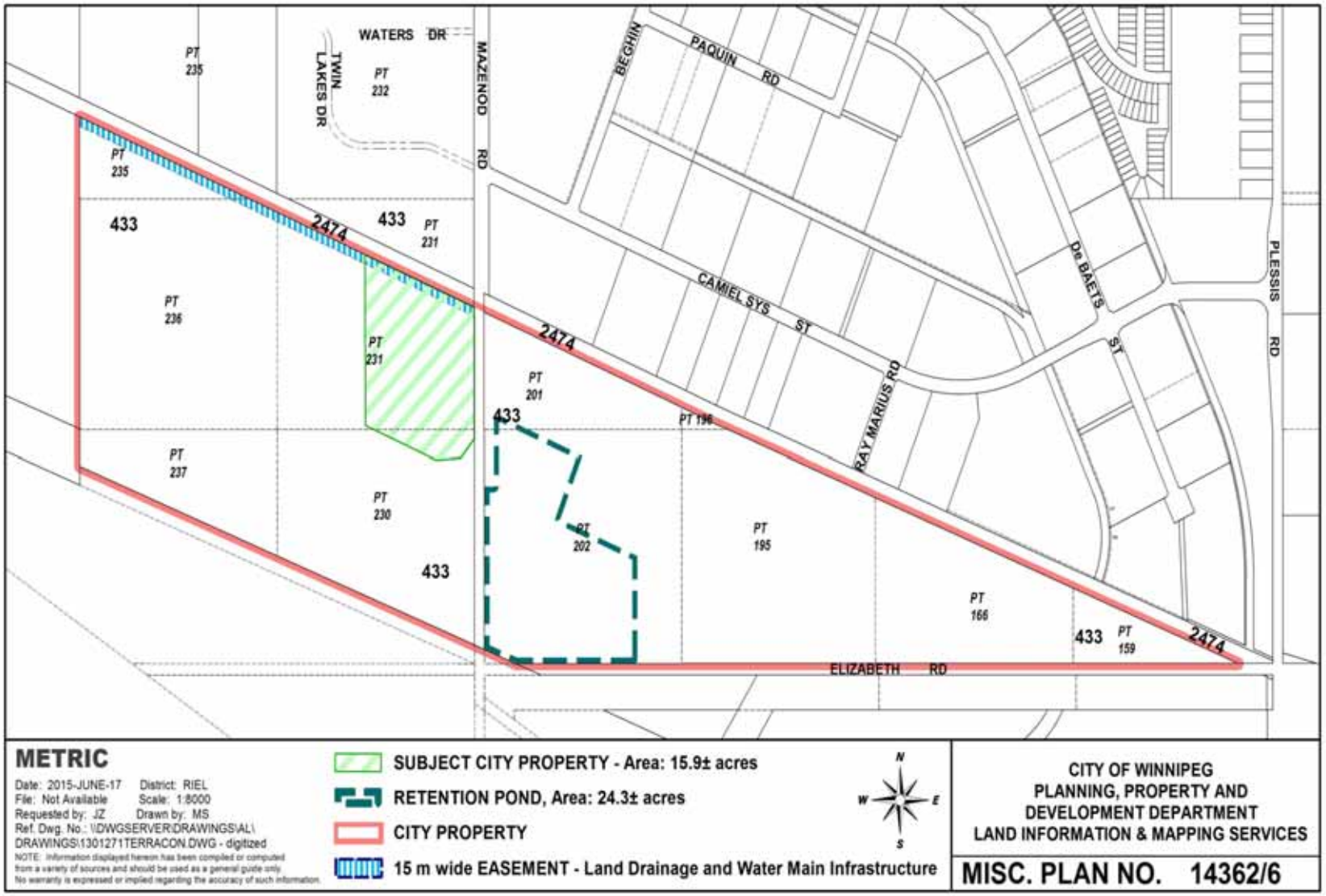
ZONING BY-LAW

- The proposed use conforms with the current zoning of the subject lands which are zoned M3 PDO-2 – Prairie Industrial Park Manufacturing Heavy District. The purpose of this overlay is to provide flexibility for "M3" Manufacturing Heavy Zoning District uses for the area defined as the PDO-2 Prairie Industrial Park.

- M3 lands are intended to accommodate light or heavy industrial development, including heavy manufacturing, storage, major freight terminals, waste and salvage, resource extraction, processing, transportation, major utilities, and other related uses, particularly those that require very large buildings, frequent heavy truck traffic for supplies or shipments, or that may require substantial mitigation to avoid sound, noise, and odour impacts to neighbouring properties.

SUBMITTED BY

Department Planning, Property & Development
Division Real Estate
Prepared by: John S. Zabudney
Date: July 14, 2015
File No. 32/6123 43 V(III)


WATERS DR
TWIN LAKES DR
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PAQUIN RD
CAMIEL SYS ST
RAY MARIUS RD
De BAETS ST
PLESSIS RD
ELIZABETH RD
2474
433
PT 235
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PT 201
PT 196
PT 202
PT 195
PT 166
PT 159
METRIC
Date: 2015-JUNE-17 District: RIEL
File: Not Available Scale: 1:8000
Requested by: JZ Drawn by: MS
Ref. Dwg. No.: \\DWGSERVER\DRAWINGS\AL\DRAWINGS\1301271TERRACON.DWG - digitized
NOTE: Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.
SUBJECT CITY PROPERTY - Area: 15.9± acres
RETENTION POND, Area: 24.3± acres
CITY PROPERTY
15 m wide EASEMENT - Land Drainage and Water Main Infrastructure
N
W
E
S
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14362/6



METRIC

Date: 2015-JUNE-17 District: RIEL
File: Not Available Scale: 1:8000
Requested by: JZ Drawn by: MS
Ref. Dwg. No.: \\DWGSERVER\DRAWINGS\AL\DRAWINGS\1301271TERRACON.DWG - digitized

NOTE: Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.

SUBJECT CITY PROPERTY - Area: 15.9± acres

RETENTION POND, Area: 24.3± acres

CITY PROPERTY

15 m wide EASEMENT - Land Drainage and Water Main Infrastructure

AERIAL

CITY OF WINNIPEG
PLANNING, PROPERTY AND
DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES

MISC. PLAN NO. 14362/6

APPENDIX 1

Revenue			**2015**
Sale Price per Acre	$ 175,000		
# of acres purchased by Parmalat	15	$ 2,625,000	
Add Lift Station Oversizing Cost Attributable to Parmalat		520,000	$3,145,000
Expenditures			
Class 5 Estimate of Servicing Costs for 185 Developable Acre Site		$ 26,000,000	
Recovery to be received from Parmalat for lift station over-sizing:		(520,000)	
Development costs attributable to ALL 185 acres		25,480,000	
Development Cost/Acre		138,000	
# of acres purchased by Parmalat		15	
Parmalat share of Development Costs		2,070,000	
Add Lift Station Oversizing Cost Attributable to Parmalat		520,000	
Development Cost of 15 acres Sold to Parmalat		2,590,000	
Book Value of land - 15 acres at $8,100 per acre (rounded)		122,000	
Total Cost of Land Sold			2,712,000
Net Proceeds of Disposition			**$ 433,000**
Costs Charged to Land Operating Reserve (Inventoried)			
Costs to facilitate access and services to the Parmalat site			$8,200,000
Less Lift Station Oversizing Cost Attributable to Parmalat			(520,000)
Portion of $8.2 million attributable to ALL 185 developable acres			$7,680,000
Less Expensed as Cost of Land Sold to Parmalat			(2,070,000)
Costs Charged to Inventory in the Land Operating Reserve			$5,610,000 †

Cost of Inventoried Lands to be Shared as follows:

Parmalat	$ 1,500,000
Province of Manitoba	2,000,000
City of Winnipeg	2,110,000
	$ 5,610,000

† This $5.61 million will be expensed as cost of land sold as the remaining 170 acres are sold.

APPENDIX 2

Parmalat - Province of Manitoba
Amortization Schedule

Interest rate	4.00%
Term (years)	18
Amount	$2,000,000
Date of Loan	1-Sep-15

Year	Beginning Balance	Interest Payment	Principal Payment	Total Payment	Ending Balance	
1	2,000,000	80,000	78,000	158,000	1,922,000	**2015**
2	1,922,000	76,880	81,000	158,000	1,841,000	**2016**
3	1,841,000	73,640	84,000	158,000	1,757,000	**2017**
4	1,757,000	70,280	88,000	158,000	1,669,000	**2018**
5	1,669,000	66,760	91,000	158,000	1,578,000	**2019**
6	1,578,000	63,120	95,000	158,000	1,483,000	**2020**
7	1,483,000	59,320	99,000	158,000	1,384,000	**2021**
8	1,384,000	55,360	103,000	158,000	1,281,000	**2022**
9	1,281,000	51,240	107,000	158,000	1,174,000	**2023**
10	1,174,000	46,960	111,000	158,000	1,063,000	**2024**
11	1,063,000	42,520	115,000	158,000	948,000	**2025**
12	948,000	37,920	120,000	158,000	828,000	**2026**
13	828,000	33,120	125,000	158,000	703,000	**2027**
14	703,000	28,120	130,000	158,000	573,000	**2028**
15	573,000	22,920	135,000	158,000	438,000	**2029**
16	438,000	17,520	140,000	158,000	298,000	**2030**
17	298,000	11,920	146,000	158,000	152,000	**2031**
18	152,000	6,080	152,000	158,000	0	**2032**
						2033

APPENDIX 3

Parmalat - City of Winnipeg
Amortization Schedule

Interest rate	4.00%
Term (years)	21
Amount	$2,110,000
Date of Loan	1-Sep-15

Year	Beginning Balance	Interest Payment	Principal Payment	Total Payment	Ending Balance	
1	2,110,000	84,000	66,000	150,000	2,044,000	**2015**
2	2,044,000	81,000	69,000	150,000	1,975,000	**2016**
3	1,975,000	79,000	71,000	150,000	1,904,000	**2017**
4	1,904,000	76,000	74,000	150,000	1,830,000	**2018**
5	1,830,000	73,000	77,000	150,000	1,753,000	**2019**
6	1,753,000	70,000	80,000	150,000	1,673,000	**2020**
7	1,673,000	66,000	84,000	150,000	1,589,000	**2021**
8	1,589,000	63,000	87,000	150,000	1,502,000	**2022**
9	1,502,000	60,000	90,000	150,000	1,412,000	**2023**
10	1,412,000	56,000	94,000	150,000	1,318,000	**2024**
11	1,318,000	52,000	98,000	150,000	1,220,000	**2025**
12	1,220,000	48,000	102,000	150,000	1,118,000	**2026**
13	1,118,000	44,000	106,000	150,000	1,012,000	**2027**
14	1,012,000	40,000	110,000	150,000	902,000	**2028**
15	902,000	36,000	114,000	150,000	788,000	**2029**
16	788,000	31,000	119,000	150,000	669,000	**2030**
17	669,000	26,000	124,000	150,000	545,000	**2031**
18	545,000	21,000	129,000	150,000	416,000	**2032**
19	416,000	16,000	134,000	150,000	282,000	**2033**
20	282,000	11,000	139,000	150,000	143,000	**2034**
21	143,000	5,000	145,000	150,000	0	**2035**
						2036